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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BRASIL

IPF:(1992-96) $14 183 000

(BRA/91/013) - Support to the Development and Programmes for the Labour Sector (Supplementary Assistance)

Date of approval by the AC:[1/]	15 December 1993
Expected duration:	Four years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Labour
Proposed UNDP contribution:	$ 20 000
Government cost sharing:	$ 6 880 800
Previous UNDP contribution:	$ 1 500 000
Total UNDP budget:	$ 8 400 800

Project background

Labour Legislation in Brazil was drawn during the late fifties early sixties, when the country's industrialization strategy was being launched. The new economic conditions required a large pool of labour force to fulfil the growing demand of newly created industries. In this context, the new labour laws put an end to existing pre-capitalist forms of production in the agricultural sector, eliminating the "colonato" and with it, worker's assurance of land and shelter within large rural landholds. This induced migration toward the urban belts, transforming the population and labour force structure which from then onwards became predominantly urban.

The prevailing economic model generated steady growth and a minimum unemployment rate until the oil crisis of the seventies which brought along high interest rates, recession, inflation and a high unemployment level which persist up to now, together with an increasing impoverishment of large sectors of the population and the consequent erosion of labour relations. Despite the drastic structural transformations that Brazil has undergone during its industrialization stage, the Labour Legislation has remained practically unchanged since its creation. It is mainly geared to guarantee state control of labour organizations and state intervention in labour relations; and does not enable the development of the instruments needed to support the present normative role of the State.

In terms of the institutional framework created in 1930, the Ministry of Labour has gone through since 1961 a series of administrative ups and downs, becoming off and on part of the Ministry of Social Welfare.

In 1992, the Government of Itamar Franco decided that the Ministry of Labour should

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[1/] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

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exist as a separate entity, and should lead the institutional, legal and administrative reforms that are needed to modernize the labour sector in Brazil. To this end, the Government requested further UNDP assistance under the present approval.

Description of project

The project aims at supporting the national goal of modernizing labour relations in Brazil. This entails the redefinition of existing labour legislation and the restructuring of the Ministry of Labour to allow it to respond to its new normative role.

The immediate objectives of the project are to: (a) provide support in defining a new set of labour laws and the corresponding Constitutional amendments; (b) build the managerial capacity needed at the Ministry of Labour to perform its new functions; (c) support the definition of national policies to promote employment and labour intensive investment projects; and (d) implement a national advocacy programme for labour rights.

Inputs

UNDP will provide 19 work-months of international and 1322 work-months of national consultants in areas such as health and security of employees, administration of public funds, generation of programmes of employment, methodology of collective contracts, and labour legislation; subcontracts for publication of books, analysis on the social impacts of the use of the official trust funds, studies and capacitation of human resources, implantation of a data bank related to employment situation, syndicates and strikes; training in the areas of health and security of employees, ergonomy and planning; seminars in prevention of use of children as labour force, collective contract system and wage policy; equipment required to strengthen the informatization system of the Ministry; and miscellaneous costs.

Financial data

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Personnel	1 939 000
Subcontract	3 468 200
Training	1 263 600
Equipment	170 000
Miscellaneous	60 000
Total	6 900 800

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rural infrastructures, especially small irrigation schemes; and (c) provide wider access to institutionalised credit for farmers and small rural entrepreneurs, by developing the existing credit network and promoting savings-loans groups.

At the local level, the project will pilot an approach for an integrated and sustainable implementation of the RPCG in five rural communes, that could then be replicated in other ecologically-damaged areas of Central Guinea. This approach is based on three complementary themes: (i) restoration of the agro-ecological balance, to allow for sustainable use of agricultural and pastoral resources and increased agricultural and livestock productivity; (ii) development of rural townships, both to relieve demographic pressure on natural resources and to provide support services for agricultural development; and (iii) direct involvement of communities and elected communal authorities in the programming execution and co-financing of investment and related activities to ensure sustainability.

The project will comprise two components at the local level: (i) in the villages, it will support the creation of associations and interest groups and help them to define and implement long-term strategies for village land management (amenagement et gestion de terroirs), combining actions with long term impact with actions answering to immediate needs; and (ii) at communal level, it will build the capacity of local authorities to plan and manage public investment programmes and will promote the creation of agriculture support services and micro-enterprises in the rural centres.

Inputs

UNDP will provide three international experts in village land management (48 work-months for mid-term and final evaluation), one UNV mechanical engineer (36 work-months), four national experts, in natural resources (36 work-months), in participatory development (60 work-months), in rural engineering (60 work-months) and in rural credit (36 work-months); administrative support; training; a sub-contract with a consulting firm which will recommend how to privatise the construction unit; and vehicles and office equipment.

UNCDF will fund formulation, technical review and evaluation missions, including specialised missions to develop and test the participatory approach in the villages; subcontracts with a local institution for the training of communes' staff and with an international NGO to set up shops supplying agricultural inputs; investment programmes in the villages and in the communes; equipment for the project operational units and operation costs; and two credit funds: one at the regional level, one at the local level for the purchase of agricultural inputs by the supply shops.

The Government will cover the cost of national staff, both at the regional and local level; rehabilitation of access roads (through a World Bank project).

Financial Data

	UNDP	UNCDF
Personnel	1 875 200	-
Missions	-	308 000
Subcontract	20 000	178 000
Training	100 000	
Investments	-	1 500 000
Equipment	210 000	212 300
Credit	-	292 200
Miscellaneous	456 000	50 000
Contingencies	-	310 300
Support costs	221 900	149 200
TOTAL	2 883 100	3 000 000